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All prices are in Canadian dollars unless otherwise noted.

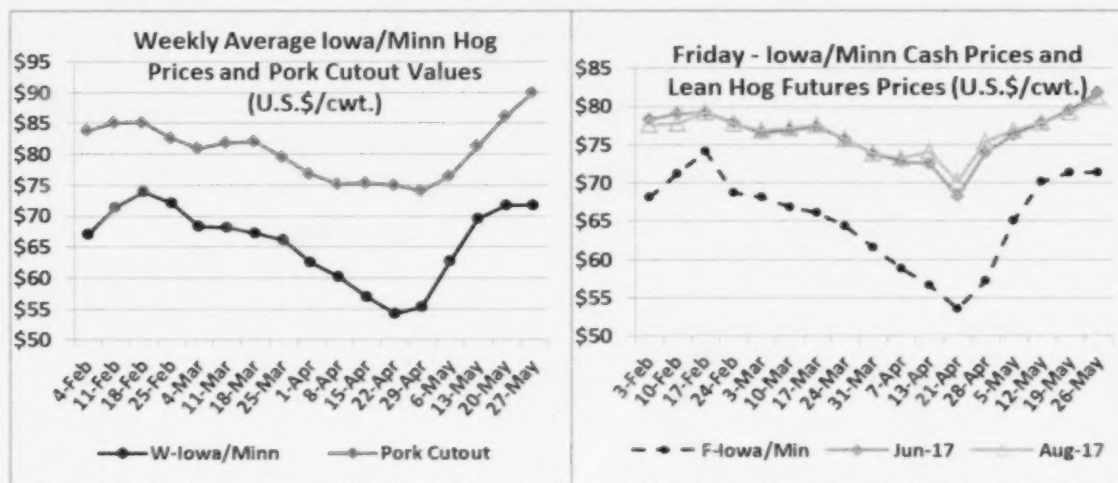
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Weekly Hog Report

May 29, 2017

Cash Slaughter Weight Hog Prices

United States daily average cash hog prices (Iowa/Minn) were steady last week. Hog prices on Friday May 26 averaged US\$71.32 per cwt, steady from US\$71.34 per cwt the previous Friday. The negotiated weekly base price last week averaged US\$71.67 per cwt, almost unchanged from US\$71.66 per cwt the previous week. Slaughter weight cash hog prices were steady on continued seasonal strength and good packer margins on higher pork cutout values.



Source: LMIC

Source: LMIC, CME

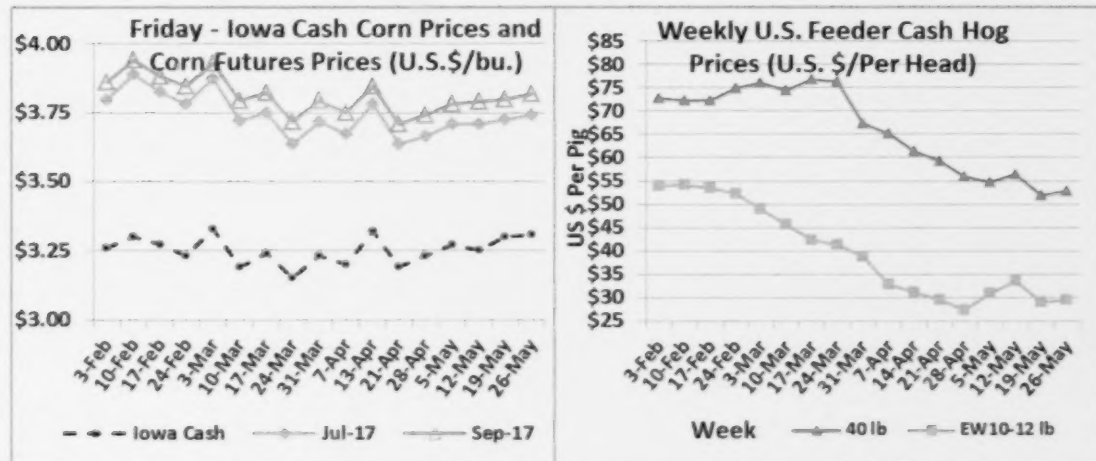
In Canada, the Signature#5 (Maple Leaf) Index 100 daily price for Friday May 26, 2017 was \$180.79 per ckg, up \$1.11 per ckg or 0.6 per cent from \$179.68 per ckg the previous Friday. Signature#5 weekly prices (Friday to Thursday) averaged \$179.54 per ckg, up \$1.53 per ckg or 0.9 per cent from the previous weeks' average price of \$178.01 per ckg. The Canadian dollar moved higher to settle last Friday at 74.31 cents, up 0.48 cents from 73.83 cents the previous Friday.

Futures Markets

United States lean hog futures daily prices were mixed last week but overall higher to help weekly prices move higher, week-over-week. The nearby June lean hog futures contract increased US\$2.325 per cwt last week to settle Friday at US\$81.825 per cwt; while the July lean hog futures contract increased US\$1.725 per cwt to settle last Friday at US\$81.900 per cwt. Pork cutout values increased over four per cent over the week with increased pork demand helping futures prices move higher.

Cash Feeder Hog Prices

North American (Iowa) iso-wean (10-12lb) cash hog prices and feeder (40lb) cash hog prices edged higher last week. Weighted average cash prices for iso-weans (12lb) last week were US\$29.51 per head, up US\$0.39 per head or 1.3 per cent from US\$29.12 per head the previous week. Feeders (40lb) averaged US\$52.86 per head, up US\$1.15 per head or 2.2 per cent from US\$51.71 per head, the previous week.



Source: LMIC

Source: Iowa Agriculture, CME

Iowa cash corn prices settled last Friday at US\$3.31 per bushel, up one cent from US\$3.30 per bushel the previous Friday. Corn futures were overall steady last week increasing slightly, week-over-week. The July contract was up 1 3/4 cents to settle Friday at US\$3.74 1/4 per bushel, while the September contract increased two cents to settle Friday at 3.81 3/4 per bushel.

Hogs Slaughtered

U.S. hogs slaughtered under federal inspection for the week ending May 27 were estimated at 2.192 million head, down 2.5 per cent from 2.249 million head the previous week, but up 0.3 per cent from 2.185 million head the same week a year ago. Weekly U.S. hog slaughter numbers over the last four weeks have averaged about 2.244 million head, up 3.4 per cent from 2.169 million head over the same period a year ago.

In Canada, federal and provincial hog slaughter numbers for the week ending May 20, 2017 were estimated at 404,463 head, down 2.7 per cent from 415,760 head the previous week, but up slightly from 404,398 head the same week a year ago. Canadian hog slaughter numbers over the last four weeks averaged 412,201 head, up 1.8 per cent from 404,835 head over the same period a year ago. Year-to-date, Canadian hog slaughter numbers totaled 8,404,783 head, up 1.3 per cent from the same period a year ago. (Source: AAFC/CFIA)

In Western Canada, federal and provincial hog slaughter numbers for the four weeks ending May 20, 2017 averaged 171,695 head, up 3.0 per cent from 166,631 head over the same period a year ago. Year-to-date, Western Canadian hog slaughter numbers totaled 3,464,540 head in 2017, up 2.4 per cent from the same period a year ago.

Meat Production

U.S. pork production for the week ending May 27, 2017 was estimated at 464.2 million lb., down 2.9 per cent from 478.2 million lb. the previous week, but up 0.3 per cent from 462.8 million lb. the same week a year ago. Pork production over the last four week's ending May 27 was estimated to average 475.2 million lb., up 3.0 per cent from 461.3 million lb. over the same four week period a year ago.

U.S. beef production for the week ending May 27 was estimated at 483.9 million lb., up 1.3 per cent from 477.5 million lb. the previous week, and up 2.6 per cent from 471.5 million lb. the same week a year ago.

Combined production of U.S. beef, pork, chicken and turkey over the four weeks ending May 20, 2017, was estimated to average 2.108 billion lb., up 2.1 per cent from 2.064 billion lb. over the same four weeks a year ago. Year-to-date, total U.S. meat production for 2017 is estimated to be up 2.0 per cent compared to the same period in 2016.

United States Weekly Meat Production

(May 20) Four Week Average - Million Lb.			Percent Change	
	2016	2017	4 Week	YTD 2017
Pork	459.5	481.4	4.7%	3.2%
Beef	479.8	487.4	1.6%	4.4%
Chicken	988.7	1,004.2	1.6%	0.5%
Turkey	135.8	135.0	-0.6%	0.7%
Total	2,063.8	2,108.0	2.14%	2.03%

Source: LMC

Cutout Values

U.S. national pork cutout values for the week ending May 27, 2017 averaged US\$89.89 per cwt, up US\$3.78 per cwt or 4.4 per cent from US\$86.11 per cwt the previous week, and up 7.1 per cent from US\$83.91 per cwt from the same week a year ago.

Choice beef cutout prices (600-900 lb.) for the week ending May 27, 2017 averaged US\$246.28 per cwt, down US\$2.08 per cwt or 0.8 per cent from US\$248.36 per cwt the previous week, but up 10.3 per cent from US\$223.19 per cwt the same week a year ago.

Average chicken cutout values (breast) for the week ending May 27, 2017 averaged US\$162.49 per cwt, up US\$8.76 per cwt or 5.7 per cent from US\$153.73 per cwt the previous week, and up 36.5 per cent from US\$119.03 per cwt the same week a year ago.

Meat In U.S. Cold Storage

USDA released the latest U.S. cold storage numbers on May 22, 2017. The United States' pork stocks in cold storage totaled 599.1 million lb. on April 30, 2017, down 9.0 per cent from 637.3 million lb. on April 30, 2016, but up 9.0 per cent from 549.4 million lb. on March 31, 2017. U.S. pork stocks in cold storage for April 2017 were below the monthly 12-year highs and close to the monthly average.

United States Stocks in Cold Storage (Frozen)

1,000 Pounds			
Commodity	30-Apr-2016	31-Mar-2017	30-Apr-2017
Pork	637,320	549,424	599,112
Beef	467,799	464,001	458,460
Chicken	804,954	765,301	797,838
Turkey	398,719	428,784	477,296
Total Combined	2,308,792	2,207,510	2,332,706

Source: NASS

The U.S. beef stocks in cold storage totaled 458.5 million lb. on April 30, 2017, down 2.0 per cent from 467.8 million lb. on April 30, 2016, and down 1.2 per cent from 464.0 million lb. on March 31, 2017. Beef stocks in cold storage for April 30, 2017 were above the monthly 12-year average, but below the monthly 12-year highs.

Total pork, beef, chicken and turkey in cold storage on April 30, 2017 was at 2.333 billion lb., up 1.0 per cent from April 2016, and up 5.7 per cent from March 31, 2017. U.S. meat in cold storage for April 30, 2017 was above the 12-year average but below previous highs and the 12-year record highs established in September 2016.

For more information contact:

Brad Marceniuk, PAg, MSc, BSA
Provincial Livestock Economist
(306) 933-5098
brad.marceniuk@gov.sk.ca